

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	
ORGANIC FUELS, LTD.	§	Case No. 10-30778
	§	
	§	
Debtor.	§	(Chapter 11)

**MOTION TO REJECT CAR SERVICE
AGREEMENT WITH UNION TANK CAR COMPANY**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

**To the Honorable Letitia Z. Paul,
United States Bankruptcy Judge:**

Organic Fuels, Ltd. ("OFL" or the "Debtor") files this Motion to Reject Car Service Agreement with Union Tank Car Company ("UTLX").

Nature of the Debtor's Motion

1. The Debtor seeks to reject a car services agreement with UTLX pursuant to which the Debtor leases 40 railroad cars from UTLX. The Debtor no longer requires the use of the leased railroad cars in the operation of its business.

Brief Background

2. On January 29, 2010 (the “Petition Date”), an involuntary petition under Chapter 7 of Title 11 of the United States Code was filed against Organic Fuels, Ltd. in the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

3. On March 9, 2010, OFL consented to the entry of an order for relief and filed a motion to convert its case to a case under Chapter 11 of the Bankruptcy Code. The order converting OFL’s case to Chapter 11 was entered on March 9, 2010 [Docket No. 18].

4. Prior to the Petition Date, on December 1, 2005, UTLX and the Debtor entered into that certain Car Services Agreement (the “UTLX Agreement”) pursuant to which the Debtor leased railroad cars from UTLX. The UTLX Agreement was thereafter amended by four separate riders that describe the railroad cars leased by the Debtor from UTLX. Copies of the UTLX Agreement and all of the riders to the UTLX Agreement are attached as **Exhibit 1**¹. As of the Petition Date, the Debtor leased forty (40) railroad cars from UTLX. The railroad cars are presently stored at the East Camden Railway yard of Trinity Chemical Industries.

5. The Debtor no longer requires the use of the leased railroad cars in the operation of its business. The Debtor has determined that the UTLX Agreement is not necessary to the Debtor’s reorganization.

Request to Reject Contract

6. The Debtor requests authority under § 365(a) of the Bankruptcy Code to reject the UTLX Agreement as it is not necessary to the Debtors’ reorganization.

7. Accordingly, the Debtors request that the Court authorize the relief requested above and grant other just relief as appropriate.

¹ This motion is not an admission by the Debtor that the UTLX Agreement was not previously terminated. The Debtor reserves all rights to assert any and all defenses and/or claims related to the UTLX Agreement.
Motion to Reject UTLX Agreement
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Dated: March 19, 2010.

Respectfully submitted,

/s/Joshua W. Wolfshohl

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Proposed Counsel for Organic Fuels, Ltd.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by United States first class mail to the parties listed on the attached service list and by electronic mail to all registered ECF users appearing in the case on this 19th day of March, 2010.

/s/ Joshua W. Wolfshohl

Joshua W. Wolfshohl

SERVICE LIST

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Internal Revenue Service
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